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~~November~~ 1998 OCT

DEPARTMENT OF LIVESTOCK



MARC RACICOT, GOVERNOR

STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

301 N ROBERTS ST - RM 236
PO BOX 202001
HELENA, MONTANA 59620-2001

(406) 444-1432 FAX

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENTS COLLECTION

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%

\$17.65 /CWT

EFFECTIVE NOVEMBER 1, 1998:

The minimum price to pay milk producers, under ARM 32.24.301, is \$17.65 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a different thirty-two cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$3.20.

CLASS I BUTTERFAT PRICE PER POUND

\$3.20 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

\$18.88 /CWT

Average spray process dry milk solids
price per pound = \$1.12750
Multiplied by 8.2 x 8.2

\$9.24550

\$9.24550

PLUS +
Last quote of the month for Grade AA butter
minus a differential of \$.0895 = \$2.71050
Multiplied by 4.2 x 4.2

\$11.38410

+ \$11.38410

LESS 8.5% (\$20.62960 X .085)

\$20.62960
- \$1.75352

\$18.87608

Rounded to the nearest whole cent = \$18.88 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$3.00 /LB**

Butterfat differential	(\$2.71050	X .111)	=	\$0.30087
Rounded to the nearest half cent				=	\$0.300

CLASS II VALUE OF ONE POUND OF SKIM**0.086839378 /LB**

Butterfat value per pound	=	\$3.00		
for milk at 3.5% test:				
Hundredweight price of milk testing 3.5%			=	\$18.88
LESS 3.5 pounds of butterfat at	\$3.00	per pound	-	\$10.500
Value of 96.5 pounds of skim			=	\$8.380
Value of one pound of skim	(8.380 / 96.5 pounds)	=	\$0.08684 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND**\$2.44 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$2.71050
LESS 10%		\$0.27105
		\$2.43945

Rounded to the nearest whole cent = \$2.44 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**7.67376 /CWT**

Avg. spray process dry milk solid price/lb =	\$1.12750
Multiplied by 8.2	8.2
	\$9.24550
LESS 17%	\$1.57174
	\$7.67376

Rounded to the nearest whole cent = \$7.67 per hundredweight.

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$15.95 /CWT**

3.5 pounds of butterfat	x	\$2.44	per pound =	\$8.540
96.5 pounds of skim		\$0.07674	per pound =	\$7.405

\$15.945 /CWT**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by: Mariys M. Koontz
 Mariys M. Koontz, Program Specialist
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$17.65 FOR 3.5% MILK 96.5 LBS = \$6.450		CLASS II SKIM PRICE BASED ON \$18.88 FOR 3.5% MILK 96.5 LBS = \$8.380		CLASS III SKIM PRICE BASED ON \$15.95 FOR 3.5% MILK 96.5 LBS = \$7.405	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.06615	2.50	\$0.08595	2.50	\$0.07595
2.55	\$0.06619	2.55	\$0.08599	2.55	\$0.07599
2.60	\$0.06622	2.60	\$0.08604	2.60	\$0.07603
2.65	\$0.06626	2.65	\$0.08608	2.65	\$0.07607
2.70	\$0.06629	2.70	\$0.08613	2.70	\$0.07611
2.75	\$0.06632	2.75	\$0.08617	2.75	\$0.07615
2.80	\$0.06636	2.80	\$0.08621	2.80	\$0.07619
2.85	\$0.06639	2.85	\$0.08626	2.85	\$0.07623
2.90	\$0.06643	2.90	\$0.08630	2.90	\$0.07627
2.95	\$0.06646	2.95	\$0.08635	2.95	\$0.07631
3.00	\$0.06649	3.00	\$0.08639	3.00	\$0.07634
3.05	\$0.06653	3.05	\$0.08644	3.05	\$0.07638
3.10	\$0.06656	3.10	\$0.08648	3.10	\$0.07642
3.15	\$0.06660	3.15	\$0.08653	3.15	\$0.07646
3.20	\$0.06663	3.20	\$0.08657	3.20	\$0.07650
3.25	\$0.06667	3.25	\$0.08661	3.25	\$0.07654
3.30	\$0.06670	3.30	\$0.08666	3.30	\$0.07658
3.35	\$0.06674	3.35	\$0.08670	3.35	\$0.07662
3.40	\$0.06677	3.40	\$0.08675	3.40	\$0.07666
3.45	\$0.06680	3.45	\$0.08679	3.45	\$0.07670
3.50	\$0.06684	3.50	\$0.08684	3.50	\$0.07674
3.55	\$0.06687	3.55	\$0.08688	3.55	\$0.07678
3.60	\$0.06691	3.60	\$0.08693	3.60	\$0.07682
3.65	\$0.06694	3.65	\$0.08697	3.65	\$0.07686
3.70	\$0.06698	3.70	\$0.08702	3.70	\$0.07690
3.75	\$0.06701	3.75	\$0.08706	3.75	\$0.07694
3.80	\$0.06705	3.80	\$0.08711	3.80	\$0.07698
3.85	\$0.06708	3.85	\$0.08716	3.85	\$0.07702
3.90	\$0.06712	3.90	\$0.08720	3.90	\$0.07706
3.95	\$0.06715	3.95	\$0.08725	3.95	\$0.07710
4.00	\$0.06719	4.00	\$0.08729	4.00	\$0.07714
4.05	\$0.06722	4.05	\$0.08734	4.05	\$0.07718
4.10	\$0.06726	4.10	\$0.08738	4.10	\$0.07722
4.15	\$0.06729	4.15	\$0.08743	4.15	\$0.07726
4.20	\$0.06733	4.20	\$0.08747	4.20	\$0.07730
4.25	\$0.06736	4.25	\$0.08752	4.25	\$0.07734
4.30	\$0.06740	4.30	\$0.08757	4.30	\$0.07738
4.35	\$0.06743	4.35	\$0.08761	4.35	\$0.07742
4.40	\$0.06747	4.40	\$0.08766	4.40	\$0.07746
4.45	\$0.06750	4.45	\$0.08770	4.45	\$0.07750
4.50	\$0.06754	4.50	\$0.08775	4.50	\$0.07754

PRODUCER CLASS I PRICE IN MONTANA

Comparison of Class I price in 1997 & 1998

MONTANA MILK CONTROL BUREAU

Month	1997	1998	Difference	% Change
January	\$14.16	\$15.51	\$1.35	8.70%
February	\$13.89	\$15.84	\$1.95	12.31%
March	\$14.49	\$15.80	\$1.31	8.29%
April	\$15.01	\$15.87	\$0.86	5.42%
May	\$15.04	\$15.36	\$0.32	2.08%
June	\$13.99	\$14.56	\$0.57	3.91%
July	\$13.25	\$13.43	\$0.18	1.34%
August	\$13.29	\$15.65	\$2.36	15.08%
September	\$13.41	\$17.32	\$3.91	22.58%
October	\$14.62	\$17.54	\$2.92	16.65%
November	\$15.34	\$17.65	\$2.31	13.09%
December	\$15.38			
Average	\$14.32	\$15.87		

PRODUCER CLASS I PRICE IN MONTANA

Comparison of Class I price in 1997 & 1998

